

**CITY OF SAN DIEGO
REDEVELOPMENT AGENCY**

Introduction to Redevelopment

**Michael Lengyel
Redevelopment Project
Manager**

May 23, 2010



Origins of California Redevelopment Law

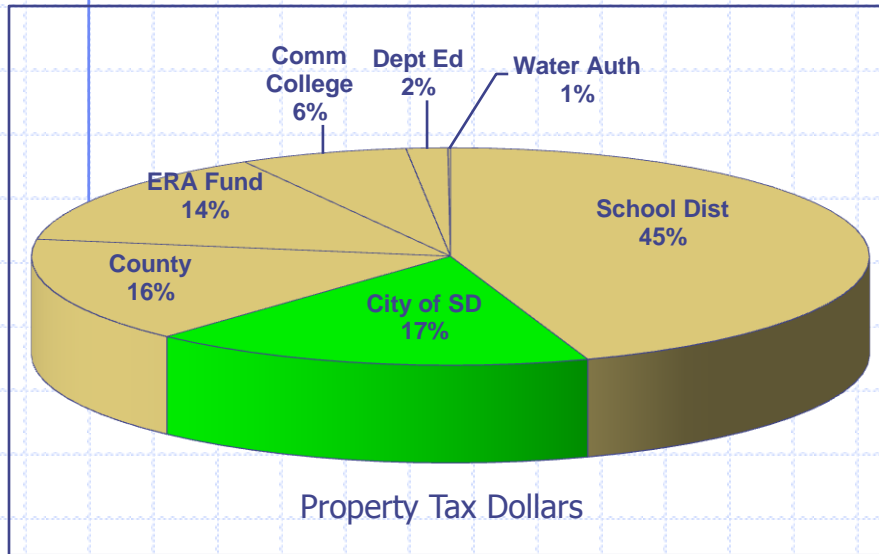
- ◆ 1945 Community Redevelopment Act
 - Establish Redevelopment Agencies
 - Attack the problems of urban decay
- ◆ 1951 Community Redevelopment Law
- ◆ California Health & Safety Code 33000

3 Essential Elements

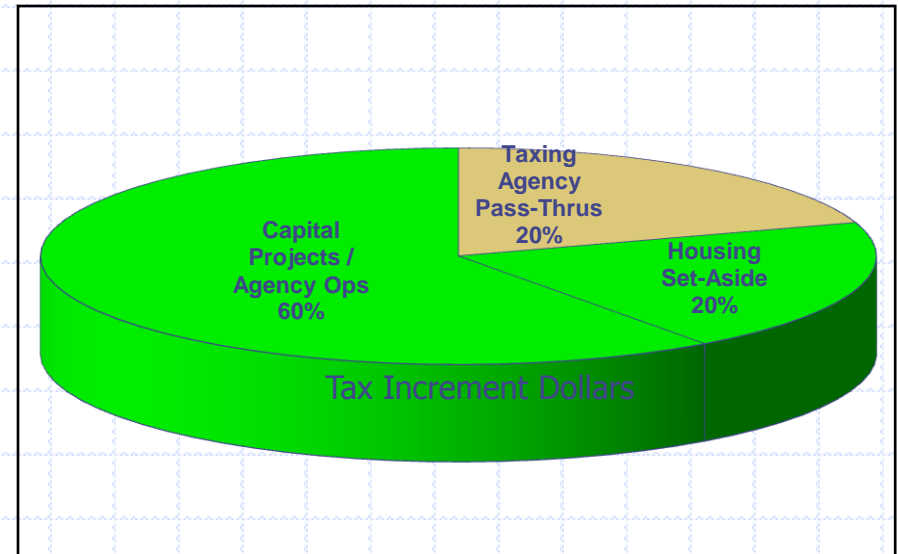
- ◆ The Power to Condemn Private Property for Private Development
- ◆ Power to Convey Property to Private Developers without Public Bidding or Surplus Property Procedures AND Provide Subsidies
- ◆ Authority to Use Tax Increment Financing



Tax Increment (T.I.) Financing



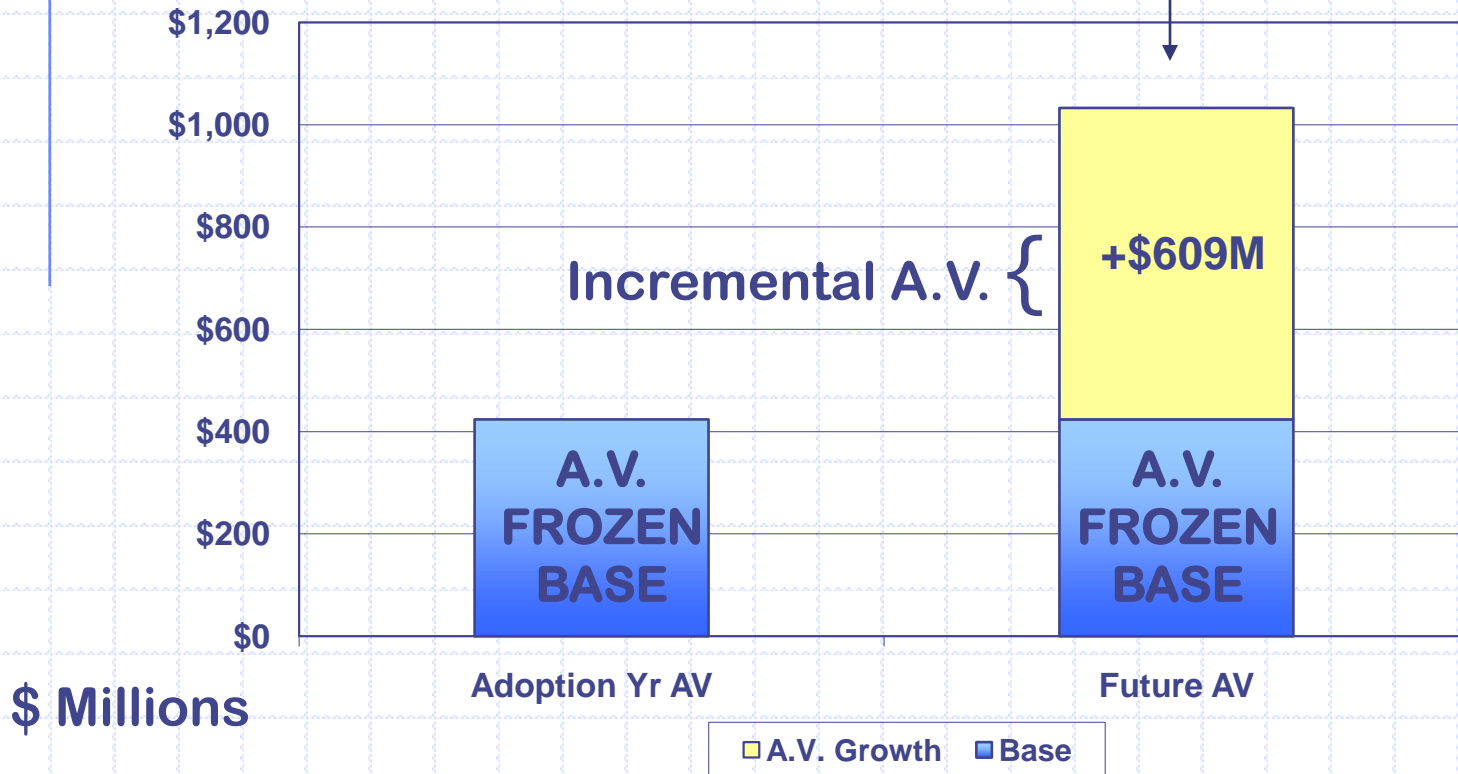
Property Taxes
Non-Redevelopment Area



Property Taxes
Redevelopment Area

Tax Increment (T.I.) Financing

1% of \$609M = \$6M of T.I.





North Park Budget

Fiscal Year 2011 (estimate)	(\$ in thousands)
Total Assessed Value	\$ 1,032,680
Base Value (fixed)	423,551
Incremental Value Over Base	\$ 609,129
Gross Revenue (1% tax rate)	\$ 6,091
Unitary Revenue	15
Property Tax Administrative Fee	(64)
Net Tax Increment Revenue	\$ 6,042
Low-Mod Housing Set Aside Fund	(1,209)
Taxing Agencies Pass Through	(1,218)
Non-Housing Tax Increment Revenue	\$ 3,615



Uses of Tax Increment

GENERAL

- Pre-development costs
- Market studies
- Feasibility studies
- Other real estate costs

PUBLIC IMPROVEMENTS Construction

- Parking
- Streets, curbs, sidewalks
- Street lights

SITE PREP COSTS

- Land Acquisition/Relocation
- Demolition
- Remediation activities
- Grading

AFFORDABLE HOUSING

- Construction
- Land acquisition
- On/Offsite improvements
- Rehabilitation



REDEVELOPMENT PROCESS

- ◆ Redevelopment Plans are adopted
- ◆ Implementation Plans are created
- ◆ New infrastructure is built to support new development
- ◆ Private investment returns to the area



Existing Physical Conditions

- ◆ Defective Design and Physical Construction
- ◆ Faulty or Inadequate Utilities
- ◆ Inadequate Public Improvements & Parking
- ◆ Lots of Irregular Shape and Size
- ◆ Deteriorated / Dilapidated Buildings



DOOR BLOCKED



Economic Conditions

- ◆ Impaired investments
- ◆ Declining retail sales
- ◆ Excessive vacant lots
- ◆ Residential overcrowding
- ◆ Disproportionate amount of Low income households





Redevelopment At Work

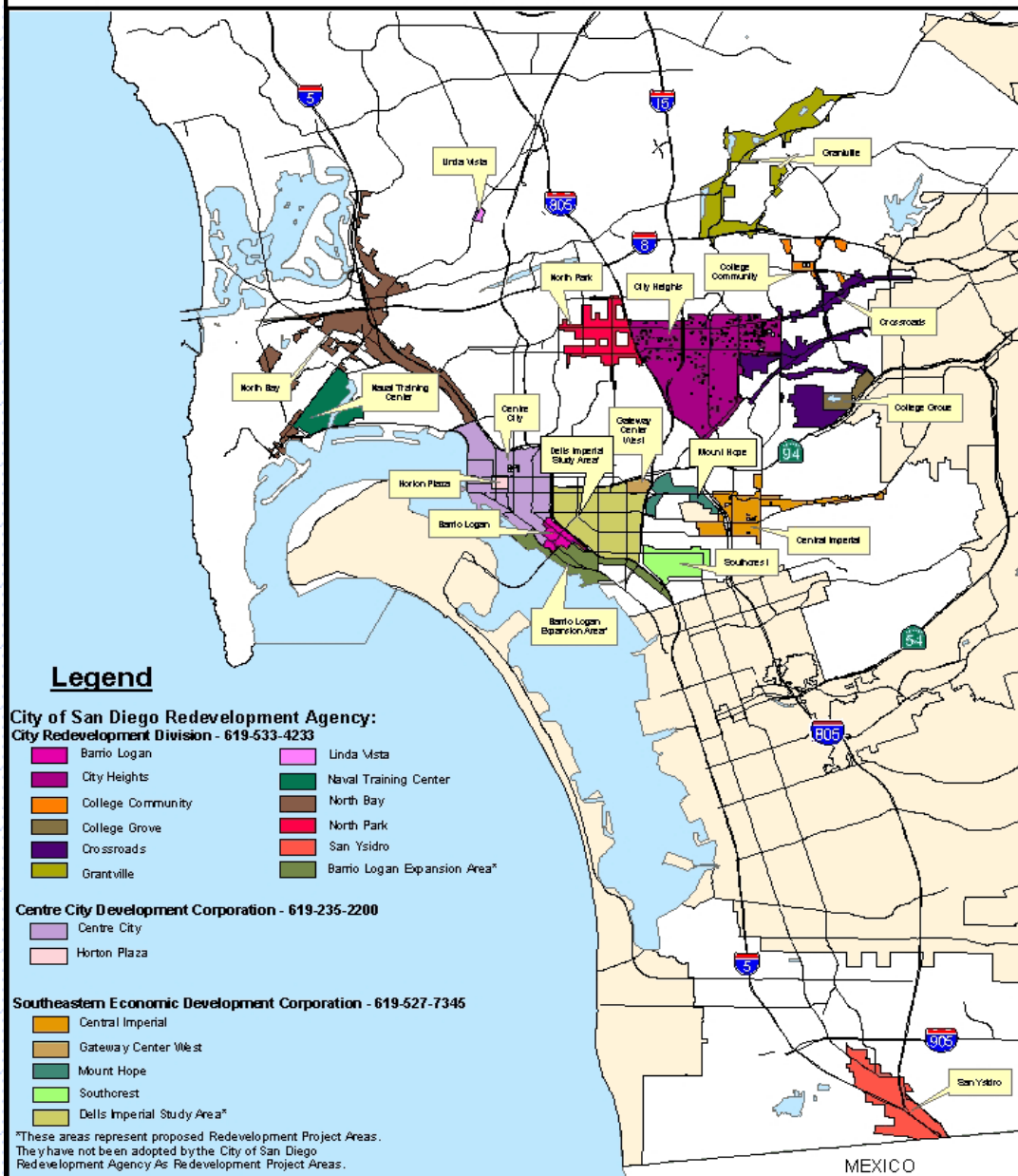
- ◆ Financing tool for development
- ◆ Strategic investments
- ◆ Job creation
- ◆ Increased tax revenues
- ◆ Market rate and Affordable housing
- ◆ Communities are reborn



Affordable Housing

- ◆ At least 20% of tax increment set-aside
- ◆ At least 15% of new housing to be affordable
- ◆ Rental or for-sale residences made available to households earning 120% of Area Median Income or less

CITY OF SAN DIEGO REDEVELOPMENT AGENCY
PROJECT AREAS



- ◆ 17 project areas
- ◆ 11,500+ acres
- ◆ Diverse communities
- ◆ Diverse needs



CITY OF SAN DIEGO REDEVELOPMENT AGENCY
(619) 533-4233 WWW.SANDIEGO.GOV/REDEVELOPMENT-AGENCY



File: SanGIS
Map: SanGIS
Date: 10/10/00

THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Copyright 2000, City of San Diego. All rights reserved. No warranty is made by the City of San Diego for any use of this map other than for official City of San Diego purposes. No warranty is made for any use of this map other than for official City of San Diego purposes.



SAN DIEGO REDEVELOPMENT AGENCY

Board of Directors
(City Council)

Executive Director
(Mayor)

Centre City Development Corporation

Centre City

Horton Plaza

Redevelopment Division
(City Planning and Community Investment Department)

Agency Administration

Barrio Logan

City Heights

College Community

College Grove

Crossroads

Grantville

Linda Vista

Naval Training Center

North Bay

North Park

San Ysidro

Barrio Logan Expansion Study Area

Southeastern Economic Development Corporation

Central Imperial

Gateway Center West

Mount Hope

Southcrest

Dells Imperial Study Area



North Park Redevelopment Plan

- ◆ Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate and redevelop the Project Area
- ◆ Improve, promote, and preserve the positive neighborhood characteristics in North Park
- ◆ Promote and enhance varied housing opportunities
- ◆ Improve, support, and promote growth and vitality of the Project Areas business environment



North Park Redevelopment Plan

- ◆ Increase parking, enhance quality of mobility, and improve transportation facilities
- ◆ Expand and improve park and recreation facility options and green belt and open space
- ◆ Enhance infrastructure facilities which improve the community
- ◆ Increase and improve quality education opportunities
- ◆ Reduce and control crime and increase needed health and social services in North Park



North Park Five Year Plan

- ◆ Support redevelopment activities that advance the vitality, safety and viability of the Project Area
- ◆ Encourage conservation, rehabilitation and redevelopment in order to eliminate and prevent the spread of deterioration and blight
- ◆ Improve, promote and preserve the positive neighborhood characteristics of the Project Area
- ◆ Create a diverse and balanced mix of new housing stock



North Park Five Year Plan

- ◆ Advocate for the rehabilitation of existing dwelling units and preservation of existing rental housing
- ◆ Stimulate the growth and retention of businesses
- ◆ Support the improvement of parking, vehicular mobility and mass transportation facilities
- ◆ Foster pedestrian and transportation alternatives throughout the Project Area



North Park Five Year Plan

- ◆ Support the expansion of, and improvements to, park and recreational facilities and open spaces
- ◆ Facilitate alternative educational opportunities
- ◆ Further advance crime prevention measures



Purpose of the PAC

- ◆ The 12-member North Park Redevelopment Project Area Committee (PAC) advises the Redevelopment Agency on redevelopment activity within the Project Area
- ◆ The PAC keeps the community informed and communicates its concerns and suggestions to the Redevelopment Agency
- ◆ Meets on the second Tuesday of each month at 6:00 p.m. (meetings are open to the public)

Brown Act

- ◆ The Ralph M. Brown Act was enacted in 1953 in response to concerns that local elected officials were conducting secret and informal meetings and making decisions
- ◆ “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided...”

Brown Act

- ◆ “Meeting” means any congregation of a majority of the members of a legislative body at the same time and location ... to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body
- ◆ A majority of the members of a legislative body shall not, outside a meeting ..., use a series of communicators of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body

Conflict of Interest

- ◆ The Fair Political Practices Commission has determined that PAC members are “public officials” who are subject to the Act’s disclosure and disqualification provisions.
- ◆ Public officials” are to disclose certain personal assets and income in a statement of Economic Interest, Form 700.
 - ◆ Conflict of interest code for PAC members sets out the “disclosure categories”
 - ◆ Personal residence does not need to be disclosed

Conflict of Interest

- ◆ Only an economic interest can disqualify a PAC member
- ◆ Five necessary elements must be present to trigger the disqualification of a public official
 1. There must be a government decision at hand
 2. The public official must have identifiable economic interest that might be affected by the government decision
 3. It must be reasonably foreseeable that the governmental decision will be have a financial effect
 4. The financial effect must be a material financial effect
 5. The material financial effect must be one that is distinguishable from the effect on the public generally



Conflict of Interest – Penalties

- ◆ Criminal. Knowingly and willfully violating any provision – misdemeanor & up to \$10,000 fine or three times the amount the person failed to report
- ◆ Civil penalty. Individual can be fined up to \$5,000 per violation
- ◆ City Late Filing Fee. In addition to other fees, City may impose \$10.00 per day for a late Statement of Economic Interest
- ◆ PAC decision could be void

Projects in North Park





30th Street Lights

- ◆ 20 new decorative streetlights
- ◆ \$90,000 capital improvement project
- ◆ Completed in 2005





North Park Theater



- ◆ 735-seat newly renovated theater
- ◆ \$12 million historic rehabilitation project
- ◆ Reopened in 2005



North Park Parking Garage

- ◆ 388 parking spaces
- ◆ \$14.5 million project
- ◆ Completed in 2006





North Park Mini-Park

- ◆ 0.5 acre park behind the North Park Theatre
- ◆ Associated street improvements and enhancements
- ◆ Design expected to be completed in Spring 2011



Lafayette Hotel

- ◆ Renovation of the 103-room historic hotel
- ◆ \$4 million project
- ◆ Expected to be completed in Summer 2011





Boundary Street Improvements

- ◆ New streetlights and landscaping
- ◆ \$300,000 capital improvement project
- ◆ Pending approval



Freeway Edge Revitalization Proposal
North Park Redevelopment Project Area

Map Document: C:\GIS\STP\NorthPark\GIS\Map\Boundary_Improvements
3/16/2011 10:00 AM



Bohdi Animal Hospital



- ◆ Renovation of 2200 University for a veterinary clinic
- ◆ \$2.2 million project
- ◆ Pending approval

Housing/Mixed Use Projects in North Park





La Boheme

- ◆ 224 units of for-sale housing (45 affordable)
- ◆ \$62 million mixed-use project
- ◆ Completed in 2006





Renaissance at North Park



- ◆ 134 units of housing (110 units affordable)
- ◆ \$32 million mixed-use development
- ◆ Completed in 2006

Boulevard Apartments

- ◆ 24 units of affordable rental housing
- ◆ \$11 million project
- ◆ Completed in 2009





North Park Inn

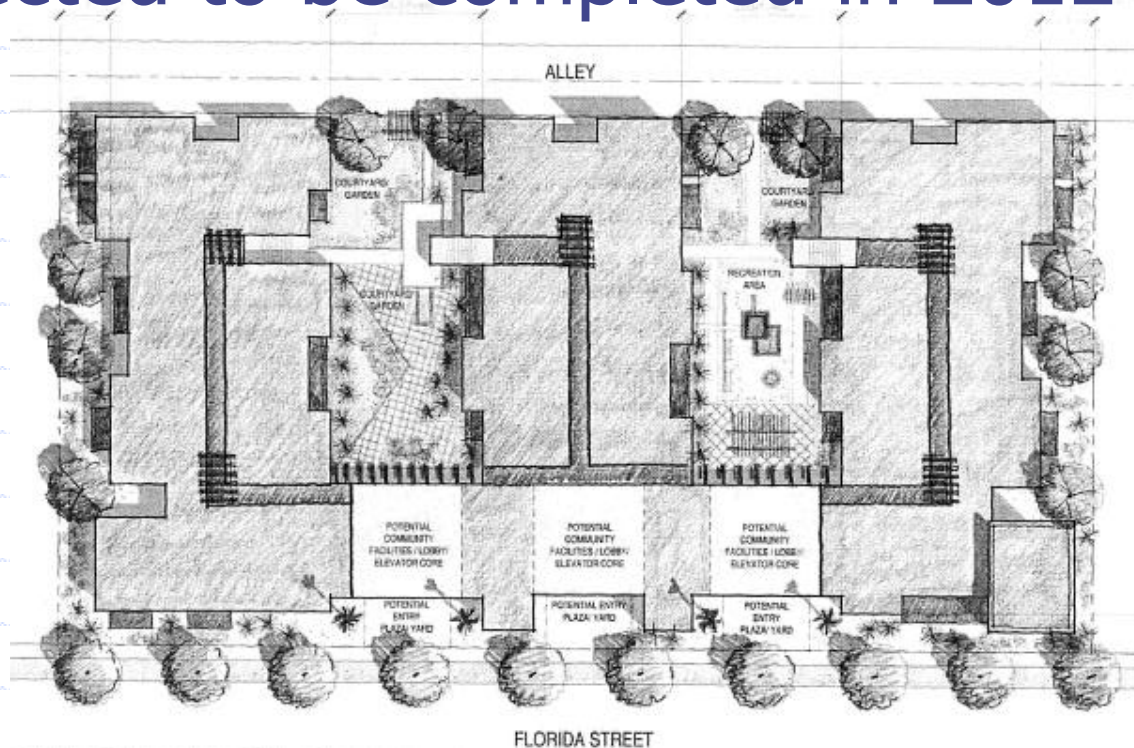


- ◆ 17 units of permanent supportive rental housing
- ◆ \$4 million mixed-use project
- ◆ Expected to be completed in mid-2010



Florida Street Apartments

- ◆ 82 units of affordable rental housing
- ◆ \$30 million project
- ◆ Expected to be completed in 2012





Boulevard at North Park

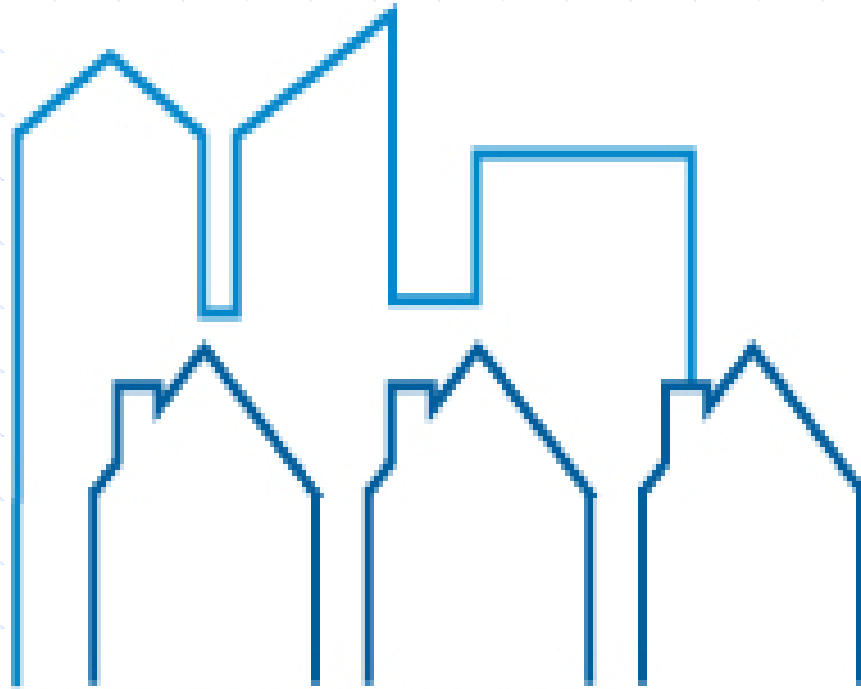
- ◆ 173 units of affordable rental housing
- ◆ \$53 million mixed-use development
- ◆ Pending approval



Housing Enhancement Loan Program (HELP)

- ◆ Housing enhancement loans of up to \$25,000 for property improvements
- ◆ Greater North Park homeowners with household income no greater than 100% of the Area Median





**CITY OF SAN DIEGO
REDEVELOPMENT AGENCY**

Introduction to Redevelopment

Questions?